

Clearstream Group

Remuneration Report for 2018

This report discloses information on remuneration for Clearstream Group (including Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A.)

according to

Article 450 of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013,

§ 16 of the German Remuneration Ordinance for Institutions (InstitutsVergV) of 03 August 2017, and

Circular 17/658 of the Luxembourgish Commission de Surveillance du Secteur Financier (CSSF).

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1. Preamble

Clearstream Holding AG must fulfil regulatory requirements on consolidated group level (“Clearstream Group”) as superordinate company of regulated credit institutions in Germany (Clearstream Banking AG) and Luxembourg (Clearstream Banking S.A.).

The regulatory requirements on remuneration are manifested in the Capital Requirements Directive IV (Directive 2013/36/EU, in the following referred to as “CRD IV”) and Capital Requirements Regulation (Regulation (EU) No 575/2013, in the following referred to as “CRR”) respectively the Guidelines¹ of the European Banking Authority. According to the legislative processes, the therefrom deriving requirements have been implemented on the national levels. In contrast to regulations that are binding directly for the member states to whom they are addressed, directives have to be implemented on national level.

In Germany, the implementation took place mainly through amendments of the German Remuneration Ordinance for Institutions (Institutsvergütungsverordnung, in the following referred to as “InstitutsVergV”)² and the German Banking Act (Kreditwesengesetz, in the following referred to as “KWG”).

In Luxembourg, CRD IV was reflected in the amended Luxembourg law of April 5, 1993 on the financial sector (in the following referred to as “Luxembourg law on the financial sector”)³. CRD IV related remuneration rules were applied as from 2014 to all Luxembourg entities of the Clearstream Group. In addition, Clearstream Banking S.A. remained subject to the requirements of the Circular 17/658 issued by the Commission de Surveillance du Secteur Financier (in the following referred to as “CSSF”).

The Remuneration Report for 2018 at hand provides qualitative and quantitative information on remuneration of Clearstream Group for the financial year 2018 pursuant to the requirements that apply to Clearstream Banking AG and Clearstream Banking S.A. on remuneration disclosure according to Article 450 CRR, § 16 InstitutsVergV and Section 17 EBA-Guidelines. Due to the interconnectedness between the different Clearstream companies, the information disclosed in this report covers the remuneration of all categories of staff whose professional activities have a material impact on the risk profile of Clearstream Group or of the respective institution (in the following referred to as “Risk Takers”) identified from Clearstream Holding AG, Clearstream Banking AG and/or Clearstream Banking S.A. perspectives, regardless the company for which Risk Takers are under contract with. As a consequence, remuneration data for identified Risk Takers under contract with Clearstream Services S.A. or Clearstream International S.A. (or under contract with its subsidiaries Clearstream Operations Prague s.r.o. or Clearstream Global

¹ Guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013, in the following referred to as “EBA-Guidelines”.

² The requirements on national level were implemented through the InstitutsVergV dated 16 December 2013. With effective date 4 August 2017, the InstitutsVergV was revised (version applicable for this Report). „InstitutsVergV“ in this report refers to this version.

³ Law of 23 July 2015 amending the Law of 5 April 1993 on the financial sector.

Securities Services Ltd.) are disclosed under Clearstream Group. Therewith, Clearstream Holding AG discloses information on its remuneration policies and practices for those Risk Takers and more specifically for those who have a material impact on the risk profile of Clearstream Banking AG and/or Clearstream Banking S.A.. The qualitative and appropriate quantitative criteria on identification of Risk Takers are set out in the Regulation (EU) No 604/2014 (in the following referred to as “EBA-RTS”).

Within the context of the implementation of CRD IV into national law, the credit institution Clearstream Banking AG is subject to the requirements on remuneration in accordance with the InstitutsVergV. Clearstream Holding AG is classified as major institution and as superordinate company of Clearstream Group sets out the group wide remuneration strategy according to sec. 27 InstitutsVergV in line with the specific requirements on remuneration. Clearstream Banking AG does fulfil the general and special requirements of InstitutsVergV in conjunction with CRD IV and CRR since their implementation. Being a significant institution in Luxembourg, Clearstream Banking S.A. is subject to special requirements set by Circular 17/658.

Upon introduction of the revised InstitutsVergV the regulatory compliant remuneration system in place was further developed under provision of legal advice from Gleiss Lutz and under consultation by hkp/// group.

References made to persons in the masculine for reasons of readability apply equally in the feminine/diverse.

2. Compensation governance

2.1. Responsibilities for the remuneration systems

Within Clearstream Banking S.A. a two-tier board structure is in place. This structure features a clear separation between the powers of the Supervisory Board, which monitors and advises the Executive Board, and the Executive Board itself, which carries out day-to-day business.

The respective Supervisory Board of Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A. (the Supervisory Board of Clearstream Banking S.A. and Clearstream Banking AG are supported by the the respective Remuneration Committee established on legal entity level, for further details see chapter 2.4) acts as responsible body to implement the remuneration system for the Executive Board. The remuneration policy for employees below the Executive Board lies in the responsibility of the Executive Board.

In 2018, the Supervisory Board of Clearstream Banking AG and of Clearstream Banking S.A. met each three times for remuneration related topics. Both Clearstream Banking AG and Clearstream Baking S.A. set up a Remuneration Committee on legal entity level to support the Supervisory Board for remuneration matters (see chapter 2.4). The Executive

Board of Clearstream Holding AG as superordinate company according to the German Banking Act (KWG) is responsible for the implementation of a Clearstream group wide remuneration policy and approved the corresponding resolutions on remuneration topics. The Clearstream Group remuneration system is implemented according to a cascading process from group level down to entity level. The Compensation Officer supports the Supervisory Board of Clearstream Holding AG and Clearstream Banking AG in assessing the appropriateness of the remuneration systems for Clearstream Group and Clearstream Banking AG. The Remuneration Advisory Board (in the following referred to as "RAB", for further details see chapter 2.3) of Clearstream Holding AG ensures an appropriate involvement of the control functions in the design and monitoring of the remuneration systems for Clearstream Group.

2.2. Compensation Officer and Deputy

Within the compensation governance under the respective regulatory requirements, the Compensation Officer and the Deputy Compensation Officer of Clearstream Holding AG and Clearstream Banking AG ensure appropriate, long-term and effective control of the company's remuneration systems according to §§ 23 – 26 InstitutsVergV. The Compensation Officer and the Deputy Compensation Officer have a direct functional and disciplinary reporting line to the Executive Board of Clearstream Holding AG and Clearstream Banking AG and have a direct functional reporting line to the Supervisory Board.

Main activities performed in 2018:

- involvement in the analysis of the revised regulatory requirements and alignment regarding the necessary changes,
 - involvement in the remuneration policy review (Clearstream Group Remuneration Policy of Clearstream Holding AG and Clearstream Banking AG including their subsidiaries, branches and representative offices and excluding entities based in Luxembourg), including the review of the respective plan documents,
 - involvement in the process to identify Risk Takers within Clearstream Group,
 - involvement in the preparation and conduction of the merit process,
 - ongoing monitoring of the employees' remuneration systems,
 - ongoing monitoring of the hedging prohibition,
 - preparation of the Remuneration Review Report,
 - supporting the Supervisory Boards within Clearstream Group as well as the respective Remuneration Committee of Clearstream Banking AG and Clearstream Banking S.A. in fulfilling their responsibilities in designing and monitoring the Executive Board re-
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muneration (preparation of meetings of the respective Supervisory Board and Remuneration Committee).

2.3. Remuneration Advisory Board

The Remuneration Advisory Board (RAB) is set up for Clearstream Holding AG by the Executive Board and, in order to involve also control units in the design and monitoring of remuneration systems as per requirements of § 3 InstitutsVergV, it includes at least representatives of control functions such as Internal Audit, Human Resources, Compliance, Risk Management, Legal or the Compensation Officer and representatives of Finance.

The RAB is involved in the design and development of the Clearstream Group's remuneration systems covering the remuneration of the employees, the executive employees and the Executive Board, before the systems are cascaded through Clearstream Group and in particular to the regulated entities Clearstream Banking AG and Clearstream Banking S.A.. The RAB supports the Groups efforts to ensure compliance of its remuneration system with regulatory requirements and applicable law.

With regard to its tasks and in the context of its meeting in 2018, the RAB consulted about:

- the design and development of the remuneration system,
- the implications on and implementation of the remuneration system in the context of the revised InstitutsVergV and required changes subject to transitional rules.

2.4. Remuneration committees

In accordance with § 25d paragraph 12 KWG and § 15 InstitutsVergV, Clearstream Banking AG has implemented a Remuneration Committee. In analogy, also for Clearstream Banking S.A., a Remuneration Committee is in place.

In 2018, the main tasks and competencies of the respective Remuneration Committee are to provide independent support to the respective Supervisory Board on the appropriate design of the remuneration systems for the members of the Executive Board and determination of the Total Amount as well as monitoring the appropriateness of the remuneration systems for staff below the Executive Board. Additionally, the Remuneration Committees are involved in the Risk Taker identification process. The Remuneration Committee of Clearstream Banking AG consists of Stephan Leithner (Chairman) as well as Christina Bannier and Norfried Stumpf. The Remuneration Committee of Clearstream Banking S.A. consists of Stephan Leithner (Chairman) as well as Gregor Pottmeyer and André Roelants.

3. Remuneration systems

3.1. Remuneration principles

The strategic goals of Clearstream Group, derived from a strategic process, were developed and cascaded down to the next level and the individuals' target agreements.

The remuneration system for Executives and Risk Takers fosters a high performance orientation as well as an enhanced equity-based orientation in order to comply with regulatory requirements and to ensure a sustainable development.

Remuneration principles are set out in the Clearstream Group remuneration policy, which is reviewed in a regular yearly process and implemented by the respective Boards. Further remuneration principles are included in the individuals' service respectively employment contracts, the remuneration schemes for Risk Takers, the applicable terms and conditions for the long-term sustainable instrument (in the following referred to as the "LSI") respectively in the terms and conditions for the long-term sustainable instrument or the restricted stock units (in the following referred to as the "RSU")⁴.

The remuneration policy is an important framework to ensure the implementation of the business and risk strategy and is a central element for the implementation of the remuneration systems within the organization. It aims at:

- setting out the principles governing the remuneration systems of Clearstream Group, including Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A., in the organisational guidelines,
- ensuring that the remuneration in the Clearstream companies is in line with the applicable regulations on remuneration,
- informing staff on the applicable rules as well as on their remuneration system,
- describing the determination of variable remuneration pools, and
- aligning the interests of the shareholders and employees, particularly for Risk Takers by using LSI and RSU if applicable.

Clearstream Holding AG, as superordinate company, and Clearstream Banking AG as well as Clearstream Banking S.A., have performed several activities to ensure that the remuneration policy and the remuneration principles are in line with applicable regulations on remuneration. The revisions of the EBA-Guidelines were transposed from national legislators into national law. In Germany, the requirements of the InstitutsVergV effective from 4 August 2017 which were subject to transitional rules are reflected.

⁴ LSI and RSU are both instruments with share-based character. After final conversion, a payout in cash applies. No real shares will be granted.

3.2. Remuneration systems for Executive Board and other employees

The remuneration for the Executive Board members of Clearstream Holding AG, Clearstream Banking AG, Clearstream Banking S.A. and Risk Takers and for other executive and non-executive (staff) employees consist of a fixed salary and variable remuneration which is in general and amongst others specified in the respective service or employment contracts.

The fixed remuneration for non-executive employees is set out in the employment contract. For Germany, the fixed remuneration takes into account the utilized salary table. In Luxembourg, the fixed remuneration of staff takes into consideration the Collective Bargaining Agreement for the Banking Sector in which Clearstream Banking S.A. takes part. Non-executive employees are granted their variable remuneration in form of a cash bonus. They are evaluated through the staff appraisal system.

The remuneration system for the Executive Board, Executives and Risk Takers follows the guiding principles of the remuneration system of the Deutsche Börse AG Executive Board in order to ensure group wide alignment. Amongst others, a target bonus system is in place and applied in an additive bonus system.

Executive employees who are not identified as Risk Takers receive in accordance with the target achievement a "Performance Bonus" in cash and share-based variable remuneration in form of a "Stock Bonus Plan". The determination of the variable remuneration is based on "Net Income Growth" and "Individual Objectives".

Risk Takers, including Executive Board members of Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A., receive a variable remuneration according to the conditions of the respective variable remuneration scheme for Risk Takers and depending on the Risk Taker category and the terms and conditions of the LSI respectively the terms and conditions of the LSI and RSU. The individual variable remuneration takes into consideration the "Target Variable Remuneration", the company performance as well as the target achievements on individual level and level of area of responsibility.

For all executive employees, a so-called "Indicative Bonus Amount" which is subject to final decision of the respective decision making bodies is calculated. The target amount for variable remuneration serves as basis for the calculation of the Indicative Bonus Amount. Target achievement of Net Income Growth targets, if applicable, adjusted by the modifier, and target achievement of individual targets (including the area of responsibility) result in the Overall Target Achievement. The Overall Target Achievement Level is multiplied with the individual Target Variable Remuneration.

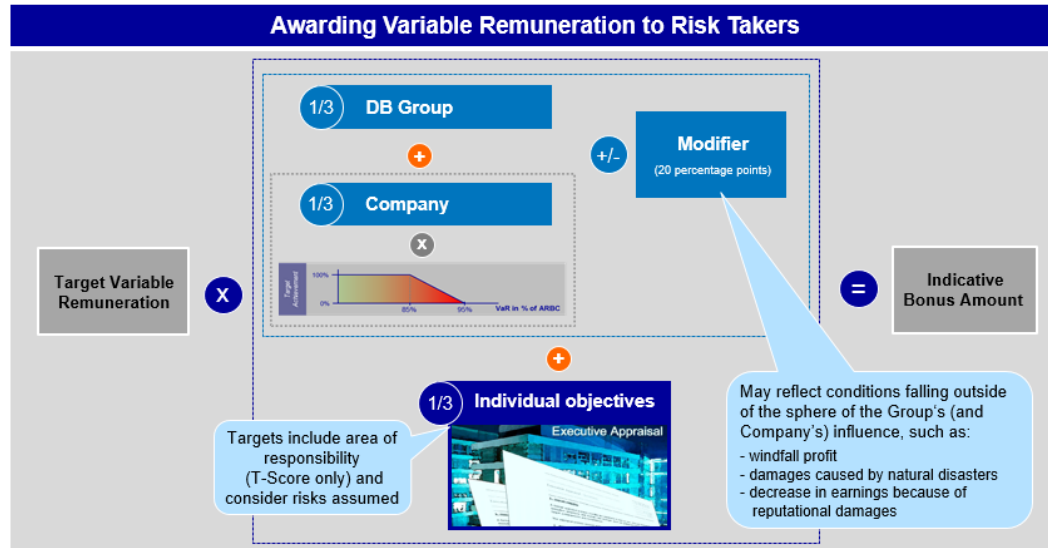
Net Income Growth is a key element for variable remuneration and for executing and supporting the Deutsche Börse growth strategy and accounts to one third to the Overall Target Achievement Level. In addition, the Net Income Growth of Clearstream Holding

AG derived from the Clearstream-segment contributes another third. Individual Objectives that cover the level of the area of responsibility as well as the individual level, shall include at least one qualitative target and contribute to the determination to one third, too. For Risk Takers in Control Functions primarily control targets shall be set.

Target achievement of Company Net Income Growth targets is multiplied with a risk adjustment factor. Risk adjustment is in general based on the ratio of Value at Risk ("VaR") relative to the Available Risk Bearing Capacity ("ARBC") reflecting the limits by Risk Management. A modifier might be applied by the respective decision making body under exceptional circumstances on the Net Income Growth measurement levels Group and Company and may correct the combined target achievement up to 20 percentage points upwards or downwards in accordance with regulatory requirements. It shall reflect conditions falling outside of the sphere of the Group's and if applicable the Company's influence. Amongst others, it might be applied under the condition of an unpredictable and uncontrollable change in the environment of the company and in case of events the Company cannot foresee or account for in advance. In general, the modifier applies uniformly on legal entity level and was not utilized for 2018.

The final bonus amount is subject to decision of the respective decision making bodies (an adjustment of +/- 20% of target bonus may apply for Risk Takers). Allocation maximum is 200% of the Target Variable Remuneration to comply with the "Bonus Cap" (variable remuneration in maximum 200% of fixed remuneration) and, if applicable, local requirements are fulfilled. For members of the Executive Board, Risk Takers as well as employees of Clearstream Group, the relevant shareholders passed a resolution on the maximum variable remuneration of 200% of the annual fixed remuneration according to regulatory requirements (Bonus Cap) with regard to the provisions of § 25a paragraph 5 sentence 5 KWG.

The payout of any variable remuneration is subject to check for side conditions in institutions according to § 7 InstitutsVergV (i.e. company performance, capital planning, liquidity requirements, risk bearing capacity) and backtesting (for further details see chapter 3.6). Overall budget limit and a multi-year measurement may apply for Risk Takers.



Graphic 1: Exemplary process of awarding variable remuneration to Risk Takers.

Depending on the category of Risk Taker, 40 to 73% of the variable remuneration are deferred (the RSU for five, the LSI over a period of three to five years, both paid out after an additional retention period of one year). The share based components RSU and LSI link parts of the variable remuneration with a sustainable development. The Deferral Period is defined in accordance to the regulatory requirements, Clearstream Group’s business cycle as well as the nature and risk content of Clearstreams business activities.

Further, Clearstream Group does not guarantee variable remuneration in general and only applies the exemption set out in InstitutsVergV in case of an entry within the first twelve months after entry taking into account appropriate equity and liquidity resources as well as sufficient capital in order to ensure its risk-bearing capacity.

Overall, the variable remuneration systems does not incentivise to take disproportional high risks and is designed in a way that bonus can be reduced to zero in order to apply with the regulatory requirements of § 45 KWG and of §§ 38.5 and 38.6 of the Luxembourg law on the financial sector.

3.3. Total Amount of variable remuneration

For the financial year 2018, the total amount of variable remuneration (the “Total Amount”) was defined in a formalised and transparent process as well as under involvement of the Control Units in accordance with § 7 InstitutsVergV respectively Section 14 EBA-Guidelines. The award of variable remuneration requires the respective Supervisory Board to jointly with the respective Executive Board resolve upon a sufficient Total Amount of variable remuneration for the performance period, out of which the employees of the company will be awarded, taking into account § 45 paragraph 2, sentence 1, number 5a German Banking Act (KWG) and § 7 InstitutsVergV respectively Section 14 EBA-Guidelines.

Precondition to this resolution upon a Total Amount is that the respective company did not experience negative overall business performance. In particular, where this is accompanied by a significant decrease of the company's enterprise value, as a general rule, no Total Amount will be resolved upon.

Assessment of the requirements to determine the Total Amount		
		Assessment
Overall economic situation		
Overall company performance	Taking into account economic capital, economic profit, costs of liquidity and capital as well as the assumption of risk, the Company achieves a positive overall business performance.	✓/✗
Exceptional cases	The <i>Bundesanstalt für Finanzdienstleistungsaufsicht (or equivalent)</i> allows with respect to extraordinary circumstances, to resolve a Total Amount, regardless of the overall negative business performance.	If applicable
Requirements of the InstitutsVergV (additional national regulatory requirements may apply in analogy)		
§ 7 (1)	The Total Amount was determined under adequate involvement of the control functions corresponding with their scope of tasks.	✓/✗
§ 7 (1) 1	When determining the Total Amount, risk-bearing capacity, multi-year capital planning and profitability of the Group and/or Company are taken into account.	✓/✗
§ 7 (1) 2 a), b)	The determination of the Total Amount does not limit the Group's and/or the Company's ability to maintain adequate funds and liquidity as well as the combined capital buffer requirements in accordance with section 10i KWG (or equivalent).	✓/✗
A total amount is resolved upon:		✓/✗

Graphic 2: Overview of the requirements to determine the Total Amount.

The Total Amount is determined by summing up individual actual awards of variable remuneration of all employees of the institution whereas such summed up amount is subject to the examination of side conditions, i.e. on performance criteria derived from the institution's business and risk strategy in order to promote long-term sustainable success of the institution and to adequately reflect costs of capital and liquidity as well as risks incurred.

If the Supervisory Board, the Executive Board or the line manager of a Risk Taker decides in their overall assessment that the awarding of variable remuneration is not appropriate, there is no right to the award. Thereby, the Supervisory Board, the Executive Board and/or the line manager consider all circumstances leading to significant underperformance or negative performance contributions causing significant financial losses or damage to the reputation for the institution. This also applies in the event of individual unconscionable conduct or conduct in breach of duty as defined in the remuneration policy and the respective variable remuneration schemes.

3.4. Risk Taker identification

According to § 18 InstitutsVergV and EBA-RTS, staff whose professional activities have a material impact on the institution's risk profile must be identified. For the financial year 2018, Clearstream Group performed a risk analysis and identified Risk Takers based on these qualitative and quantitative criteria set out in the EBA-RTS.

Pursuant to regulatory requirements, members of the Supervisory Boards were identified as Risk Takers in 2018. The identified members received only attendance fees but no

remuneration which would be classified as fixed or variable remuneration in the sense of the Remuneration Ordinance for the respective Supervisory Board function.

In general, the Risk Takers of Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A. can be differentiated between Risk Takers as members of the Executive Board, Risk Takers below the Executive Board (N-1 Risk Takers) and Other Risk Takers. Deutsche Börse AG's employees directly involved in providing services to Clearstream Banking AG and Clearstream Banking S.A. for the purpose of conducting banking business or supplying financial services within the framework of an outsourcing agreement were identified as so-called Group Risk Takers (Group Risk Takers N-1 respectively Group Risk Takers other).

3.5. Variable remuneration scheme

For Risk Takers, the variable remuneration consists of an upfront and a deferred part. Depending upon the classification of the respective Risk Taker category, the final bonus amount is split into different instruments, namely the Cash bonus, the LSI shares and the RSU shares (if applicable). Therefore, the respective payout schedules are applied as shown below.

Clearstream applied in accordance with regulatory frameworks in all locations the exemption limit for the payout of the complete variable remuneration. If a Risk Taker is granted variable remuneration of EUR 50,000 or higher, variable remuneration will be deferred. At least a minimum of 50% of the deferred and non-deferred parts of the variable remuneration shall be granted in share-based long-term instruments according to regulatory requirements. For eligible persons, with the LSI and the additional RSU (the RSU shares will be deferred for five years with cliff vesting and are subject to an additional retention period of one year) two third of variable remuneration will be awarded in form of share-based instruments. This exemption limit, which is also applied to Clearstream Banking S.A., fulfils the indicative exemption limit set by the CSSF in its Circular 11/505.

The LSI links a part of the variable remuneration with a sustainable development. The deferral period is defined in accordance to the regulatory requirements, Clearstream Group's business cycle as well as the nature and risk content of Clearstream's business activities. The Deferral Part (non-upfront part) of variable remuneration will be deferred for a period of three or five years and vested pro rata, also depending upon the Risk Taker classification. In every case, an additional retention period of one year applies for the LSI shares.

The RSU shares will be deferred for five years. In addition and in analogy to the LSI shares, the RSU shares are subject to a retention period of one year. At the end of the retention period, the entire RSU part will be paid out (cliff vesting).

3.5.1. Payout process

The Risk Taker payout schedule with the cash and LSI bonus applies to all Risk Takers. Additionally, the RSU as a long-term share-based component applies to Executive Board members as well as Group Risk Takers with the internal management level 6, 5*⁵.

For Risk Takers with the RSU (Executive Board members with the internal management level 6, 5* as well as N-1 Risk Takers and N-1 Group Risk Takers with internal management level 6, 5* within Deutsche Börse Group), the Award is split into three components:

- One third of the final bonus amount will be converted in cash ("Cash bonus").
- One third of the final bonus amount will be converted into long-term sustainable instruments ("LSI shares") in accordance with the respective terms and conditions of the LSI. The LSI shares are subject to an additional retention period of one year.
- One third of the final bonus amount will be converted into Restricted Stock Units ("RSU shares") in accordance with the respective terms and conditions of the RSU. The RSU shares will be deferred for five years and are subject to an additional retention period of one year. Afterwards, the entire RSU part will be granted (cliff vesting).

40% of the Cash bonus and 40% of the LSI shares ("Upfront") are granted upfront. 60% of the Cash bonus and 60% of the LSI shares ("Deferral") will be deferred over a period of five years ("Deferral Period"). Within the Deferral Period, the Deferral will be split into five equal annual instalments. The LSI shares are subject to an additional retention period of one year.

For Risk Takers with internal management level 5*, 5 or non-executive Risk Takers (namely the categories of Executive Board member with internal Level 5, N-1 Risk Takers, Other Risk Takers, N-1 Group Risk Takers and Other Group Risk Takers) the award is split into two instruments:

- 50% of the final bonus amount will be converted in cash ("Cash bonus").
- 50% of the final bonus amount will be converted into long-term sustainable instruments ("LSI shares") in accordance with the respective terms and conditions of the LSI. The LSI shares are subject to an additional retention period of one year.

40% (namely the categories of Executive Board member with internal Level 5, N-1 Risk Takers and N-1 Group Risk Takers) respectively 60% (namely for Other Risk Takers respectively Other Group Risk Takers) will be granted as upfront part. 60% respectively 40% will be deferred over a period of five respectively three years (Deferral Period). Within the Deferral Period, the Deferral will be split into five respectively three equal annual installments. The LSI shares are subject to an additional retention period of one year. For Risk Taker categories with a less stricter payout scheme than for the N-1 Risk Takers, the

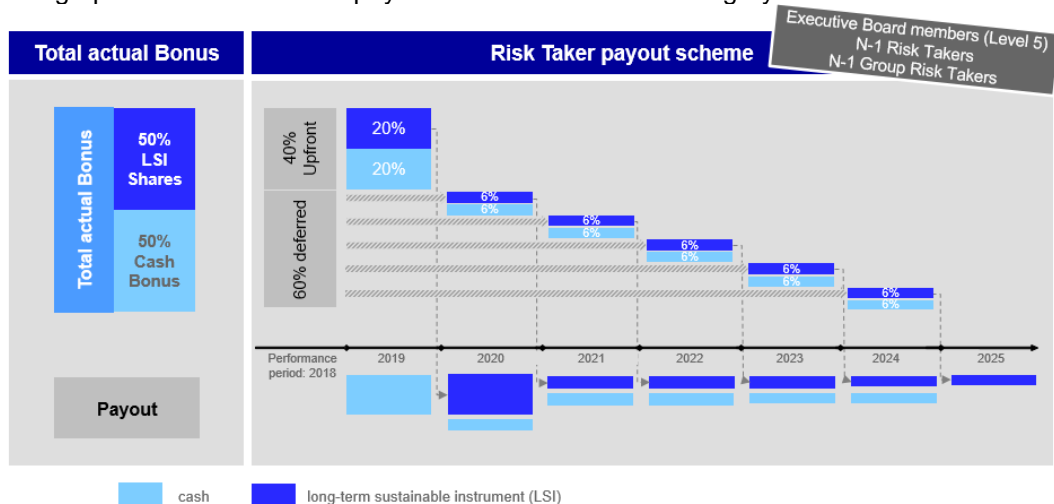
⁵ The internal management level for Executives incl. Executive Board members ranges to three levels with highest level 6. In case of split contracts and different Risk Taker classification, the stricter payout process shall prevail.

N-1 Risk Taker scheme is applied in case of an Award of Variable Remuneration above the Internal Threshold in accordance with § 20 paragraph 3 InstitutsVergV.

Until the final decision regarding the payout of the final bonus amount (“Granting”), there is no right to the Deferral or to the non-deferred parts of the final bonus amount which have already been converted into LSI shares or RSU shares. During the Deferral Period and retention period, there is only a right to an accurate determination of the expected (unpaid) portion of the variable remuneration. Portions of the variable remuneration which are due to be paid out, but are not effectively paid out or are not converted into LSI shares or RSU shares forfeit and are not carried forward into future years. For the avoidance of doubt fixed remuneration shall not be subject to deferral or retention periods.

3.5.2. Payout schedules for Risk Takers (different categories)⁶

The graphics below show the payout schedules for each category of Risk Taker.



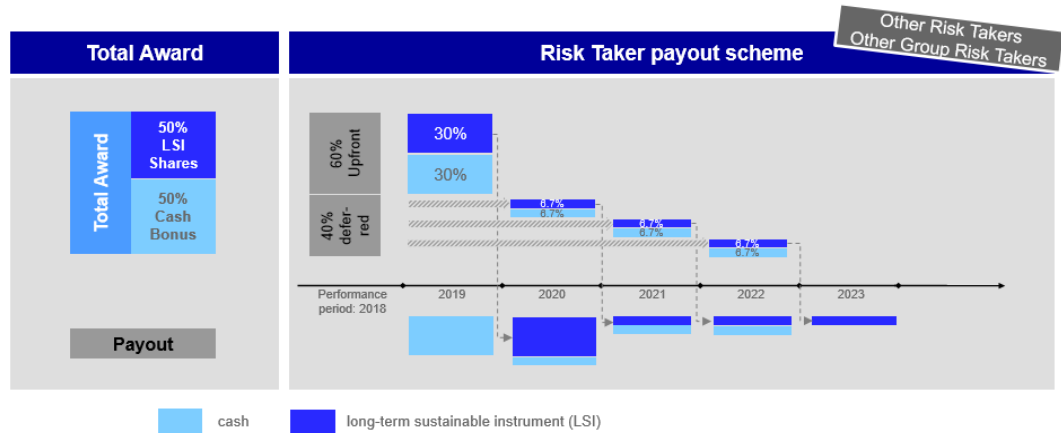
Graphic 3: Exemplary payout of the variable remuneration (Executive Board members with internal management level 5 as well as N-1 Risk Takers and N-1 Group Risk Takers).

The respective components within the Group Risk Taker category, namely the cash part and the LSI part, may vary with regard to the payout as displayed in the following.

Upfront Payments		Deferred Payments	
Cash	LSI Shares	Cash (annual instalments)	LSI Shares (annual instalments)
20%	20%	30% (5 x 6%)	30% (5 x 6%)

Graphic 4: Overview of Risk Taker payout schedule (Executive Board members with internal management level 5 as well as N-1 Risk Takers and N-1 Group Risk Takers).

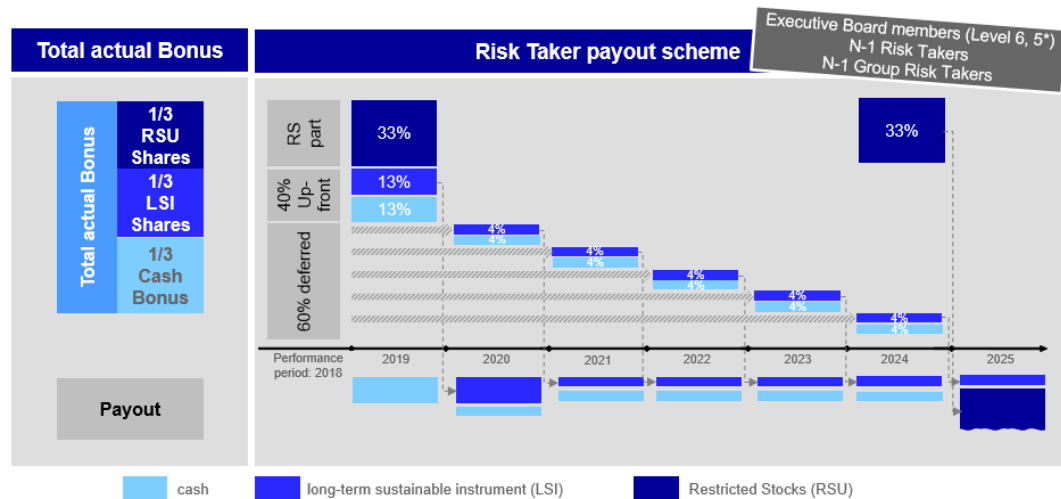
⁶ For reasons of readability, the percentages in this document are rounded and amount to 100% in each respective case.



Graphic 5: Exemplary payout of the variable remuneration (Other Risk Takers respectively Other Group Risk Takers).

Upfront Payments		Deferred Payments	
Cash	LSI Shares	Cash (annual installments)	LSI Shares (annual installments)
30%	30%	20% (3 x 6.7%)	20% (3 x 6.7%)

Graphic 6: Overview of Risk Taker payout schedule (Other Risk Takers respectively Other Group Risk Takers).



Graphic 7: Exemplary payout of the variable remuneration for Risk Takers (Executive Board members with the internal management level 6, 5* as well as N-1 Risk Takers and N-1 Group Risk Takers with internal management level 6, 5* within Deutsche Börse Group) with the RSU.

Upfront Payments		Deferred Payments		
Cash	LSI Shares	Cash (annual installments)	LSI Shares (annual instalments)	RSU Shares (cliff vesting)
13%	13%	20% (5 x 4%)	20% (5 x 4%)	33%

Graphic 8: Overview of Risk Taker payout schedule for Risk Takers (Executive Board members with the internal management level 6, 5* as well as N-1 Risk Takers and N-1 Group Risk Takers with internal management level 6, 5* within Deutsche Börse Group) with the RSU.

3.6. Backtest and repayment of variable remuneration

Prior to the payment, within a comprehensive review, it is decided by taking into account the requirements of the InstitutsVergV about the extent the variable remuneration under review will be paid out or converted into LSI shares respectively RSU shares.

Therefore, the sustainability of the performance contributions of each Risk Taker, his area of responsibility as well as the overall performance of the institution will be considered. Moreover, the financial situation of the company, in particular significant changes in the capital base, decreases in the financial capacity and the risk-bearing capacity will be taken into account (backtesting).

In case of a negative backtest, malus can apply to all elements: the cash portion as well as the LSI respectively the RSU portion of deferred remuneration, in particular in case of evidence of misbehavior or serious error (e.g. breach of code of conduct and other internal rules, especially concerning risks), negative performance contributions (e.g. if any material assumptions underlying the calculation of the variable remuneration later prove not to be sustainable or to be incorrect), significant failure of risk management respectively significant changes in the capital base, or significant downturn in the financial performance. In case of the circumstances described above have occurred to a significant degree, a reduction or forfeiture of portions of the deferred variable remuneration including LSI respectively the RSU shares applies.

The regulations on adjustment of variable remuneration are complemented through the implementation of repayment obligations for Risk Takers in accordance with regulatory requirements (so-called "Clawback"). Thus, the specific requirements of the InstitutsVergV, the Guidelines on the interpretation of the InstitutsVergV⁷ and the EBA-Guidelines are taken into consideration. In case of a significant involvement in or the responsibility for a behaviour which led to a significant loss for the institution or to a major regulatory sanction, or a severe breach of relevant external or internal regulations concerning standards of suitability and conduct has been carried out, the respective Risk

⁷ Guidelines on the interpretation of the InstitutsVergV as issued on 15 February 2018 by the German Federal Financial Supervisory Authority.

Taker is obliged to repay any variable remuneration already paid out respectively any claim to payment of variable remuneration shall lapse.

For 2018, a malus and clawback assessment was performed by the respective line managers as well as by the Malus/Clawback Meeting which includes representatives of Human Resources, Internal Audit, Compliance, Risk Management and the Compensation Officer. Within this comprehensive review, potential cases which could lead to reduction or forfeiture of bonus payments respectively deferred remuneration tranches (incl. clawback of already paid tranches) are assessed. The assessment results in a recommendation regarding a potential further treatment of critical cases. A final decision upon consequences lies in the responsibility of the respective Executive Board or the respective Supervisory Board. The malus assessment performed for Executive Board members and Risk Takers of Clearstream Group was reflected in the determination of variable remuneration for 2018 and for deferred tranches from previous financial year(s). The payout of variable remuneration for 2018 and of deferred tranches from previous financial year(s) was assessed to be in line with the regulatory requirements.

3.7. Prohibition of personal hedging strategies

The effectiveness of risk alignment would be significantly weakened if staff members were able to transfer the downside risks to another party through hedging or certain types of insurance. To ensure the effectiveness of risk alignment, the remuneration policy and remuneration principles prohibit to undertake any personal hedging strategies or other countermeasures that confine or neutralise the risk alignment effects of their remuneration. Also, appropriate compliance structures and measures in order to prevent any hedging strategies are implemented, including screening of securities accounts by Compliance and reporting in case of violations by the Compensation Officer. Through this, employees subject to the internal rules including Executive Board members agreed to allow inspections of their securities accounts and to declare if and which personal hedging strategies or other countermeasures they utilised.

4. Information on remuneration

4.1. Information on Supervisory Board members⁸

According to EBA-RTS, members of the management body in its supervisory function (Supervisory Board) are classified as Risk Taker. As Clearstream Supervisory Board members receive no remuneration which is to be classified as fixed or variable remuneration in the sense of CRD IV, the number of mandates of the members of the Supervisory Board is disclosed below. Members of the Supervisory Boards under service contract within Deutsche Börse for Executive Board members and Risk Takers, identified as Risk Taker for an operational function and that received remuneration for their service contract are disclosed under table 2 and 3.

	Clearstream Holding AG	Clearstream Banking AG	Clearstream Banking S.A.	Σ
Supervisory Board structure 2018⁹				
<i>number of mandates</i>	5	7	8	20

Table 1: Structure of the respective Supervisory Boards.

⁸ Supervisory Board member are stated as Headcount. Supervisory Board members not employed within Deutsche Börse Group receive only an attendance fee. Remuneration information of Supervisory Board member employed within Deutsche Börse Group is included in this Remuneration Report.

⁹ In total for the three Clearstream Supervisory Boards there are 16 mandates of Clearstream Supervisory Boards as of 31 December 2018. Due to mid-year changes in the composition of the Supervisory Board of Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A., some mandates were taken from more than one person while the financial year 2018.

4.2. Remuneration Information by business area¹⁰

According to Article 450 paragraph 1 g CRR, aggregate quantitative information on remuneration are broken down by business area:

Amounts in Mio. EUR	Clearstream Holding AG	Clearstream Banking AG	Clearstream Banking S.A.	Other Clearstream Group	Σ
Remuneration 2018					
<i>Risk Taker (FTE)</i>	1.3	10.9	16.1	29.8	58.1
total remuneration	1.34	4.84	6.47	18.15	30.80
thereof fixed remuneration	0.78	2.66	3.94	8.95	16.33
thereof variable remuneration	0.56	2.18	2.53	9.20	14.47
ratio variable to fixed remuneration	1 : 0.72	1 : 0.82	1 : 0.64	1 : 1.03	1 : 0.89

Table 2: Aggregate quantitative information according to Article 450 paragraph 1 g CRR.

¹⁰ The remuneration information for Risk Takers not being Supervisory Board member is disclosed in EUR (foreign currencies are converted into EUR) and includes remuneration awarded for the respective service period for the financial year 2018. In order to maintain confidentiality and for data protection reasons, data are shown on an aggregated and rounded base. Risk Takers are, unless otherwise stated, reported as identified for financial year 2018 with full-time equivalent (FTE) as per 31 December 2018 (if appropriate changes in the course of the year are reflected). Information is allocated according to contractual situation with the legal entity respectively allocated to the legal entity for which entity the Risk Taker is identified for or delivers services to. For Clearstream Banking AG and Clearstream Banking S.A., business activities can not be considered as business units as they are no separate entities or business lines. Further, business activities in Clearstream Group are highly interconnected, so that Clearstream Banking AG and Clearstream Banking S.A. were considered as material business units according to the Risk Taker identification process and reported as legal entities. Due to data protection reasons, there are no further distinctions within each legal entity, especially information on remuneration for Clearstream International S.A., Clearstream Operations Prague s.r.o. as well as Clearstream Services S.A. and are incorporated under "other Clearstream Group". The information reported for Clearstream Banking AG and Clearstream Banking S.A. include Risk Takers in operations, client relations, control functions and support functions; "Other Clearstream Group" include Risk Takers of other Clearstream Group entities and Risk Takers in operations, client relations, control functions and support functions.

4.3. Remuneration Information by Senior Management and Risk Takers¹¹

According to Article 450 paragraph 1 h CRR, aggregate quantitative information on remuneration by senior management and Risk Takers:

amounts in Mio. EUR	Members of the Senior Management			Risk Taker (including Group Risk Takers)			Σ
	Clear-stream Holding AG	Clear-stream Banking AG	Clear-stream Banking S.A.	Clear-stream Banking AG	Clear-stream Banking S.A.	Other Clear-stream Group	
Remuneration 2018							
<i>Risk Taker (FTE)</i>	1.3	3.6	3.3	7.3	12.8	29.8	58.1
total remuneration	1.34	2.54	2.21	2.30	4.26	18.15	30.80
thereof total fixed remuneration	0.78	1.18	1.24	1.48	2.70	8.95	16.33
thereof total variable remuneration	0.56	1.36	0.97	0.82	1.56	9.20	14.47
ratio fixed to variable remuneration	1 : 0.72	1 : 1.15	1 : 0.78	1 : 0.55	1 : 0.58	1 : 1.03	1 : 0.89
Total variable remuneration 2018							
thereof in cash	0.19	0.85	0.33	0.40	0.81	5.89	8.47
thereof in share-linked instruments	0.37	0.51	0.64	0.42	0.75	3.31	6.00
Deferred variable remuneration 2018¹²							
<i>Risk Taker (FTE)</i>	1.3	3.6	3.3	4.9	6.8	19.7	39.6
total variable remuneration (deferred and upfront part)	0.56	0.76	0.97	0.72	1.27	5.26	9.54
total deferred variable remuneration	0.48	0.66	0.84	0.60	1.05	4.45	8.08
thereof deferred in cash	0.11	0.15	0.20	0.18	0.30	1.14	2.08
thereof deferred in share-linked instruments	0.37	0.51	0.64	0.42	0.75	3.31	6.00
thereof vested	0.08	0.10	0.13	0.12	0.22	0.81	1.46
thereof unvested	0.48	0.66	0.84	0.60	1.05	4.45	8.08
Amounts of deferred remuneration from previous years¹³							
vested and paid out from previous years	0.14	0.33	0.40	0.28	0.72	2.20	4.07
unvested and deferred from previous years	0.48	1.00	1.13	0.47	1.48	5.08	9.64
thereof reduced through performance adjustments	-	-	-	-	-	-	0.01

11 Supplementing elements in addition to the table above as stated in the following (in order to maintain confidentiality and for data protection reasons, data are shown on an aggregated and rounded base): Pension benefits classified as fixed remuneration amounted to EUR 1.90 mn. Remuneration in accordance to InsitutsVergV and EBA-GL amounted in 2018 to EUR 0.07 mn classified as fixed and to EUR 0.22 mn classified as variable. This fixed category includes compensation for remaining holidays as well as lunch, housing, mobility, seniority and internet allowance and this variable category consist of recognition awards, reimbursements for education as well as paid-out variable remuneration components of Risk Takers from previous non-Risk Taker periods. The table with deferred variable remuneration 2018 includes all Executive Board members who received variable remuneration for who the payout schedule of the respective payout scheme applied. The figures on members of the Senior Management contain the remuneration data of Executive Board members and Supervisory Board members (if remuneration was awarded for the respective mandate).

12 Deferred remuneration includes the Deferral and Upfront LSI part as well as RSU part (upfront LSI as well as RSU regarded as deferred due to the retention period).

13 Amounts of deferred remuneration from previous years allocated as identified in 2018. Unvested share-linked tranches are calculated with the share price according to the respective terms and conditions. In order to maintain confidentiality and for data protection reasons, data are shown on an aggregated and rounded base.

amounts in Mio. EUR	Members of the Senior Management			Risk Taker (including Group Risk Taker)			Σ
	Clear-stream Holding AG	Clear-stream Banking AG	Clear-stream Banking S.A.	Clear-stream Banking AG	Clear-stream Banking S.A.	Other Clear-stream Group	
Sign-on / buy-out 2018¹⁴							
<i>Risk Taker (FTE)</i>	-	-	-	-	-	-	1.0
total amount of guaranteed variable remuneration/sign-on/buy-out payments (awarded or paid-out)	-	-	-	-	-	-	0.2
Severance payments 2018							
<i>awarded</i>							
- <i>Risk Taker (FTE)</i>	-	-	-	-	-	-	2.9
- total amount of severance payments	-	-	-	-	-	-	4.09
- highest such award to a single person	-	-	-	-	-	-	3.00
<i>paid out</i>							
- <i>Risk Taker (FTE)</i>	-	-	-	-	-	-	2.0
- total amount of severance payments	-	-	-	-	-	-	3.04

Table 3: Aggregate quantitative information according to Article 450 paragraph 1 g CRR, broken down by members of the Executive Board and Risk Takers.

4.4. Information on High Earners

Pursuant to Article 450 paragraph 1 i CRR, the number of individuals being remunerated EUR 1 Mio. or more (High Earners) per financial year must be broken down into pay bands of EUR 0.5 Mio.. Overall for financial year 2018 Clearstream entities remunerated two employees in the pay bracket between EUR 1.0 to 1.5 Mio..

¹⁴ In order to maintain confidentiality and for data protection reasons, data are shown on an aggregated and rounded base. Severance payment awarded in the respective financial year refers to severance payments which are awarded in the relevant financial year but not necessarily yet paid out to the employee. Therefore, the amount or point of time of severance payment to be paid out in the financial year may differ from the awarded amount.
